

Introduced by Senator Chesbro

February 21, 2006

An act to amend Section 12785 of, and to repeal and add Section 12759 of, the Government Code, relating to the Community Services Block Grant Program.

LEGISLATIVE COUNSEL'S DIGEST

SB 1376, as introduced, Chesbro. Community Services Block Grant Program: funding.

Under the Community Services Block Grant Program, a community action agency is a public or private nonprofit agency that fulfills specified requirements, including being recognized by the Department of Community Services and Development as a community action agency. Among the functions of a community services agency are planning for and evaluating the community action program, including developing information as to the problems and causes of poverty in the community and determining how much and how effectively assistance is being provided, and initiating and sponsoring projects responsive to the needs of the poor that are not otherwise being met. Existing law sets forth a method for allocating federal assistance to agencies.

This bill would revise the method by which federal assistance is allocated to agencies to establish a base amount for each agency that increases, as provided, and to provide for additional allocations. If the amount of federal assistance declines by more than 20% below the 2005 federal fiscal year amount, the bill would require the Director of Community Services to convene the network of agencies receiving grant funds to determine whether changes to the allocation system should be contemplated and referred to the Legislature for consideration.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12759 of the Government Code is
2 repealed.
3 ~~12759. (a) The director shall reserve an amount of funds that~~
4 ~~bears the same relationship to the total funds available for~~
5 ~~community action programs as the number of persons living in~~
6 ~~households at or below the poverty level in uncapped areas of the~~
7 ~~state bears to the total number of those persons living in the state,~~
8 ~~as reported in the most recent available census.~~
9 ~~(b) (1) Each community action agency that qualified or could~~
10 ~~have qualified for the minimum funding guideline under former~~
11 ~~Community Services Administration policies shall receive a~~
12 ~~minimum level of funding to ensure that it will be capable of~~
13 ~~operating a community action program.~~
14 ~~(2) Beginning with the 2003 federal Community Services~~
15 ~~Block Grant award to California, the minimum level of funding~~
16 ~~required by paragraph (1) shall equal fifty-five hundredths of 1~~
17 ~~percent of the state community action agency network allocation.~~
18 ~~(3) Beginning with the 2004 federal Community Services~~
19 ~~Block Grant award to California, the minimum level of funding~~
20 ~~required by paragraph (1) shall equal six-tenths of 1 percent of~~
21 ~~the state community action agency network allocation.~~
22 ~~(e) The levels of minimum funding in subdivision (b) shall be~~
23 ~~funded from increases in federal Community Services Block~~
24 ~~Grant funds or, at the discretion of the director, from Community~~
25 ~~Services Block Grant discretionary funds. If these sources are not~~
26 ~~sufficient to achieve the increases required under subdivision (b),~~
27 ~~the phase-in of new levels shall continue until the levels required~~
28 ~~under subdivision (b) are reached. No community action agency~~
29 ~~shall have its allocation reduced below the level allocated to it~~
30 ~~from the 2002 federal Community Services Block Grant award to~~
31 ~~California in order to establish the levels of minimum funding in~~
32 ~~subdivision (b).~~
33 ~~(d) Before January 1, 2005, the state community action agency~~
34 ~~network shall review and analyze the minimum funding issue~~

1 with the objective of proposing an equitable methodology for
2 making appropriate adjustments in the future.

3 (e) ~~The director shall assure that financial assistance to~~
4 ~~community action programs is distributed on an equitable basis.~~
5 ~~In each program year, the director shall proportionately adjust the~~
6 ~~funding guidelines so as to achieve equity in funding allocations.~~
7 ~~Equity shall be determined on the basis of a comparison of the~~
8 ~~number of persons living in households that have an income at or~~
9 ~~below the poverty level in each political subdivision served by a~~
10 ~~community action agency, relative to the total number of~~
11 ~~low-income persons residing in capped areas of the state, as~~
12 ~~reported in the most recent available census.~~

13 (f) ~~If the total level of federal Community Services Block~~
14 ~~Grant funds is reduced more than 3.5 percent below the amount~~
15 ~~appropriated in the annual Budget Act, subdivision (e) shall not~~
16 ~~be operative, and all agencies shall be reduced by an equal~~
17 ~~percentage, which shall be that percentage in excess of 3.5~~
18 ~~percent.~~

19 (g) ~~It is the intent of the Legislature that the allocation formula~~
20 ~~specified in this section shall not be used as a template for other~~
21 ~~funding distributions.~~

22 (h) ~~Notwithstanding subdivision (b), for the 2002-03 fiscal~~
23 ~~year, all eligible entities currently in good standing in the~~
24 ~~California Community Services Grant Program shall receive an~~
25 ~~increase in funding for the 2002 program year that is~~
26 ~~proportionate to the increase provided in the 2002 federal~~
27 ~~Community Services Block Grant to the state.~~

28 SEC. 2. Section 12759 is added to the Government Code, to
29 read:

30 12759. (a) The director shall allocate funds to community
31 action agencies consistent with the following principles:

32 (1) The historic distinction between minimum and
33 nonminimum funded agencies shall be minimized or eliminated.

34 (2) After specific base funding as set forth in subdivision (c) is
35 achieved, allocation adjustments shall treat all agencies equally
36 and without regard to historic minimum funding levels.

37 (3) If federal Community Services Block Grant funding is
38 reduced or increased, funds shall be allocated so as to avoid
39 abrupt changes in current allocations.

(b) (1) From the 2007 federal Community Service Block Grant, the director shall allocate to each agency a base allocation of one hundred seventy-three thousand five hundred fifty-six dollars (\$173,556). Each federal fiscal year after the 2006–07 federal fiscal year in which there is an increase in federal and state funding, the director shall increase the amount allocated to each agency pursuant to this subdivision by an equal amount until all agencies are allocated two hundred fifty thousand dollars (\$250,000) per federal fiscal year.

(2) Commencing with the 2007–08 federal fiscal year, each agency shall receive at least one hundred seventy three thousand five hundred fifty-six dollars (\$173,556) each federal fiscal year until the federal fiscal year in which each agency receives two hundred fifty thousand dollars (\$250,000).

(3) For each federal fiscal year after the federal fiscal year in which each agency first receives two hundred fifty thousand dollars (\$250,000), each agency shall receive at least that amount.

(4) The amount allocated to an agency pursuant to this subdivision shall be known as the base funding level.

(c) (1) For purposes of this section, the amount of federal and state funding over the amount necessary to fund each agency at the base funding level set forth in subdivision (b) shall be referred to as “the excess.”

(2) Commencing with the 2007–08 federal fiscal year, the director shall also allocate an amount to each agency from the excess. The amount of this allocation to each agency shall bear the same relationship to the total amount of the excess as the number of persons living in households at or below the poverty level in each service areas of the state bears to the total number of those persons living in the state, as reported in the most recent available decennial census.

(3) In calculating the amount set forth in paragraph (2), decennial census figures shall be used.

(4) Increases to the base funding level set forth in subdivision (b) shall not result in an agency receiving a combined amount of funding pursuant to this subdivision and subdivision (b) that is less than the agency’s funding for the 2005 federal fiscal year. It is the intent of the Legislature that the adjustment made pursuant to this subdivision will result in an agency receiving an amount

1 of funding that is at least equal to the agency's funding for the
2 2005 federal fiscal year and that the director use discretionary
3 funding to achieve this goal.

4 (d) It is the intent of the Legislature that the allocation formula
5 specified in this section not be used as a formula for other
6 funding distributions.

7 SEC. 3. Section 12785 of the Government Code is amended
8 to read:

9 12785. All Community Services Block Grant funds made
10 available by the Congress shall be used by the state, together
11 with any state funds as may from time to time be appropriated for
12 this program, and any funds as may be transferred to this
13 program from other federal block grants, in accordance with the
14 annual Budget Act.

15 No transfer of funds is permitted, under any circumstance,
16 from the California Community Services Block Grant Program to
17 any other block grant or program administered by the state or by
18 the federal government.

19 ~~In the event that~~

20 *If* diminished federal appropriations for the Community
21 Services Block Grant result in California's share for any fiscal
22 year being reduced by any amount up to 3.5 percent below the
23 ~~amount appropriated in the annual Budget Act of the federal~~
24 ~~appropriation from the prior year~~, the director shall use the
25 discretionary fund to proportionately restore Community
26 Services Block Grant grantees and contractors to full funding
27 levels.

28 ~~In the event that~~

29 *If* diminished federal appropriations for the Community
30 Services Block Grant result in California's share for any federal
31 fiscal year being reduced by ~~5~~ *a cumulative amount of 20* percent
32 or more below the amount appropriated in the ~~annual Budget~~
33 ~~Act, the director and the Department of Economic Opportunity~~
34 ~~Advisory Commission shall so inform the Speaker of the~~
35 ~~Assembly and the President pro Tempore of the Senate by letter~~
36 ~~within 10 days of the congressional action authorizing the~~
37 ~~diminished appropriations. At the end of the state fiscal year in~~
38 ~~which the letters were transmitted, the requirements of this~~
39 ~~section shall be suspended until the Legislature makes a statutory~~
40 ~~determination regarding the adjustments in fund allocations to be~~

1 ~~made in response to the above-described contingency~~ federal
2 *Community Services Block Grant in the 2005 federal fiscal year,*
3 *the director shall convene the network of agencies receiving*
4 *grant funds to determine whether changes to the allocation*
5 *system should be contemplated and referred to the Legislature*
6 *for consideration.*

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